

A CITIZENS GUIDE

TO UNDERSTANDING
THE CITY BUDGET



The City of Buffalo
Common Council

ACHIEVEMENT • CONCORDIA • KNOWLEDGE

MAY 2022

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A MESSAGE FROM

DARIUS G. PRIDGEN

**BUFFALO COMMON COUNCIL PRESIDENT,
ELLICOTT DISTRICT COUNCIL MEMBER**

The Buffalo Common Council's responsibility is to ensure we vote on a fiscally fair and balanced budget. This budget outlines operational incomes and expenditures, American Rescue Plan allocations, training, and department financial requests. At the end of the day, we created this guide to assist with transparency and continue to get the people involved in the budget process. Our goal is to educate and empower all our residents to understand and make suggestions on how we can use taxpayer dollars to build a stronger Buffalo, not just for today, but for tomorrow.

A MESSAGE FROM

RASHEED N.C. WYATT

**FINANCE COMMITTEE CHAIR
UNIVERSITY DISTRICT COUNCIL MEMBER**

"The City Budget is Buffalo's primary financial tool, and it is an important resource for residents to have to understand where tax dollars are spent. This guide will assist citizens in analyzing the City budget, better understand the intricacies of municipal government, and to make informed recommendations. We want residents to hold us accountable to people's will."



OVERVIEW OF THE BUDGET PROCESS

City of Buffalo's budget process uses an executive budget model. Under this system, the Executive is responsible for developing and preparing a comprehensive, balanced budget proposal, which the Legislative Branch (Common Council) modifies and enacts into law. The Mayor is required by the charter to coordinate requests from agencies of the City and State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations. The Mayor is also required by the Local and State Finance Law to manage the budget through administrative actions during the fiscal year.

The City's fiscal year begins July 1 and ends on June 30. However, the actual "budget cycle," representing the time between early budget preparation and final disbursements, begins some nine months earlier and lasts approximately 27 months – until the expiration of the State Comptroller's authority to honor vouchers against the previous fiscal year's appropriations.

HOW TO WATCH BUDGET MEETINGS

Council Budget Meetings will be conducted in Council Chambers. The public is allowed to attend in person during these meetings, but can only speak during the budget public hearing.

Meetings will also be broadcast live on the Council Facebook at facebook.com/bfloc.

Video of meetings will replay on the Government Access channel and be available on demand on Facebook and the [City Meeting Portal](#) afterwards.



**BUDGET HEARINGS BEGIN
THE WEEK OF
MONDAY, MAY 9, 2022**



**BUDGET WORKSHOPS BEGIN
THE WEEK OF
MONDAY, MAY 16, 2022**

**IF YOU WOULD LIKE TO
JOIN THE BUDGET
PUBLIC HEARING
VIA ZOOM,
PLEASE CONTACT:**

COUNCILSTAFF@BUFFALONY.GOV

Below are the general steps involved in the creation and approval of the City budget. For a more in depth view of what is involved, please review the City Charter section on the budget at

<https://ecode360.com/13552631>

1. CITY DEPARTMENTS CREATE DEPARTMENTAL BUDGETS AND SUBMIT TO THE MAYOR

On or before the first day of February in each year the head of each administrative unit shall prepare and submit to the mayor through the division of budget.

2. THE MAYOR CREATES A RECOMMENDED BUDGET

On or before the first day of May each year, the mayor shall submit to the council a budget containing a complete plan of proposed expenditures and estimated revenues for the next fiscal year. Therein he shall set forth in detail and summary.

3. COMPTROLLER REVIEWS ACCURACY OF REVENUE AND EXPENDITURE ASSESSMENT

On or before the tenth day of May, the Comptroller submits to the Council an assessment of the accuracy of the revenue and expenditure estimates of the budget and the four-year financial plan the mayor submits to the Council. The Comptroller shall opine on the sufficiency of the financial plan and whether it contains sufficient data to support the outcomes projected.

4. THE COMMON COUNCIL REVIEWS THE RECOMMENDED BUDGET

Upon receiving the budget, the Common Council may strike out or reduce budget items and may add items of appropriation, provided that such additions are stated separately and distinctly from the original items of the budget and refer each to a single object or purpose.

The Common Council holds public budget hearings with each department in order to review budget requests in detail. This is an opportunity for each department to justify their budgetary requests and answer questions on any budget line.

The Council then holds public budget workshops with each department, where specific requests, updates, and questions are discussed in detail.

5. THE COMMON COUNCIL HOLDS A PUBLIC HEARING

Members of the public are encouraged to attend this meeting to contribute any ideas, voice concerns, or ask questions that they have on any section of the recommended budget.

6. THE COMMON COUNCIL MAKES A FINAL DETERMINATION ON THE BUDGET

By May 22nd, the Council makes a final determination on the recommended budget, including any changes to be submitted to the Mayor. If a finalized budget has not been adopted before June 8th, then the budget as submitted by the mayor, including all additions to which the mayor has failed to object shall be the budget for the ensuing year.

EXPENSE BUDGET

The Expense Budget funds current City services, including the salaries of government employees, pensions, debt service, and routine operating expenses such as copier paper, pens and pencils, printing services, rent and utilities, and contracts (see Contract Budget below). It is a legally binding commitment to a level of appropriations for a particular fiscal year. It is the Expense Budget that people generally think of as “the City budget.”

REVENUE BUDGET

The Revenue Budget contains an estimate of how much money the City will take in during the fiscal year. This includes taxes i.e. the general property tax, personal income tax, and sales tax; revenues generated by government agencies for services such as licenses, permits, and rental income; and categorical grants for specific programs or services received from the state and federal governments.

CONTRACT BUDGET

The Contract Budget is a subset of the items included in the Expense Budget that are related to agency contractual services. It includes funds that city government uses for contracts with third-parties to deliver (for example, foster care services and services delivered by community organizations), and contractual services used in operating city agencies (i.e. telecommunications and cleaning).

FINANCIAL PLAN

The Financial Plan accompanies the city budget and provides a multiyear perspective on city spending and revenues. The city’s Financial Plan is not a legally binding commitment to appropriations in future years. It shows how the current-year budget would affect budgets in the future. The Mayor releases a financial plan four times each year. While the first plan of each fiscal year reflects revenue and spending as estimated in the Adopted Budget, subsequent plans reflect changes in current year estimates.

CAPITAL BUDGET

The Capital Budget is a separate budget covering one fiscal year, funding physical infrastructure used either in support of government operations (offices, schools, and fire stations) or for general public use (roads, bridges, libraries, and parks). Almost all state and local governments in the United States maintain a capital budget or plan distinct from their Expense Budget. To be included in the Capital Budget, individual projects must have a value of at least \$50,000 and for most projects, a period of probable usefulness of at least five years. The Capital Program provides a multiyear plan detailing the funds needed for the current year and the next three fiscal years for projects already underway and new projects initiated in the Capital Budget.

HOW TO VIEW THE 2022-23 BUDGET ONLINE

1. Visit [BUFFALONY.GOV](https://buffalony.gov)
2. Click on the 'GOVERNMENT' tab
3. Scroll down to 'EXECUTIVE
DEPARTMENTS'
4. Click on '[ADMINISTRATION, FINANCE,
POLICY & URBAN AFFAIRS](#)'
5. On the left side, at the top, click on
'[DIVISION OF BUDGET](#)'



REVIEWING EACH DEPARTMENT'S BUDGET

- 1.** Read each department's mission statement and goals
- 2.** Strategic Priorities Addressed. This section highlights the specific goals as set forth in the Strategic Plan addressed by the department's activities. (example- DPW says speeding is an issue and speed humps are highly requested)
- 3.** Performance Measures. Each department has delineated a family of performance measures—input, output, efficiency, service quality and outcome—for assessing progress made toward achieving program goals. These measures are used during the budget process to ascertain program performance, workload and future targets. Departments collect data on selected performance measures for the prior year, make estimations for the current fiscal year, and set targets for the upcoming fiscal year.
- 4.** Accomplishments (example: Department of Community Services was able to hire double amount of youth during the summer)
- 5.** Budget Summary. This table provides comparative information on budgeted expenditures for three fiscal years organized by the following categories: personnel, non-personnel, special projects, equipment outlay, debt service, capital outlay, and cost allocation charges. (Read each line carefully)
- 6.** Expenditure Summary. This table displays comparative net or gross expenditure information by the departmental program.

SUMMARY STATEMENT

CITY OF BUFFALO COMBINED SUMMARY STATEMENT 2021 - 2022 ADOPTED BUDGET

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TOTAL REVENUES, RESOURCES
AND INTERFUND TRANSFERS

	CITY GENERAL FUND	BOARD OF EDUCATION GENERAL FUND	CITY ENTERPRISE FUNDS	BOARD OF EDUCATION SPECIAL PROJECT FUNDS	CAPITAL DEBT SERVICE FUND	TOTAL
Revenues and Resources:						
City	\$ 189,764,767	\$ 5,630,161	\$ 30,834,511	\$ -	\$ 4,726,990	\$ 230,956,429
County	86,459,865	48,000,000	-	-	-	134,459,865
State	165,591,497	810,345,794	-	45,695,063	-	1,042,126,374
Federal	58,710,616	3,000,000	-	53,510,438	-	115,220,454
Other	4,587,165	40,331,448	14,707,589	4,125,802	-	63,752,004

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TOTAL REVENUES AND RESOURCES

INTERFUND TRANSFERS:

General Fund - City

General Fund - Board of Education

Board of Education

Water Board

Enterprise Fund - Parking

Capital Projects

Enterprise Fund - Refuse & Recycling

Capital Debt Service Fund

TOTAL INTERFUND TRANSFERS

	\$ 525,413,309	\$ 907,307,403	\$ 45,542,100	\$ 103,525,323	\$ 4,726,990	\$ 1,596,515,126
General Fund - City	\$ -	\$ 70,822,758	\$ (1,173,078)	\$ -	\$ 28,842,667	\$ 98,492,347
General Fund - Board of Education	(70,822,758)	-	-	-	-	(70,822,758)
Board of Education	-	-	-	-	5,630,161	5,630,161
Water Board	7,991,006	-	-	-	-	7,991,006
Enterprise Fund - Parking	500,000	-	-	-	1,948,483	2,448,483
Capital Projects	(400,000)	-	-	-	-	(400,000)
Enterprise Fund - Refuse & Recycling	673,078	-	-	-	-	673,078
Capital Debt Service Fund	(28,842,667)	(5,630,161)	(1,950,623)	-	-	(36,423,451)
TOTAL INTERFUND TRANSFERS	\$ (90,901,341)	\$ 65,192,597	\$ (3,123,701)	\$ -	\$ 36,421,311	\$ 7,588,866

TOTAL REVENUES, RESOURCES

AND INTERFUND TRANSFERS

	\$ 434,511,969	\$ 972,500,000	\$ 42,418,399	\$ 103,525,323	\$ 41,148,301	\$ 1,594,103,992
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APPROPRIATIONS:

OPERATION AND MAINTENANCE:

Departmental

Fringe Benefits

General Charges

Education

	\$ 240,952,907	\$ -	\$ 27,930,301	\$ -	\$ -	\$ 268,883,207
	167,787,010	-	14,164,696	-	-	181,951,706
	22,439,900	-	193,400	-	-	22,633,300
	-	962,682,920	-	103,525,323	-	1,066,208,243

TOTAL OPERATION AND MAINTENANCE

	\$ 431,179,417	\$ 962,682,920	\$ 42,288,399	\$ 103,525,323	\$ -	\$ 1,539,676,059
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EXEMPT ITEMS:

Long Term Principal & Interest - City

Long Term Principal & Interest - Board of Education

Long Term Principal & Interest - Water

Long Term Principal & Interest - Parking

Long Term Principal & Interest - Stadium

Long Term Principal & Interest - Refuse

Other Exempt Items

	\$ -	\$ -	\$ -	\$ -	\$ 33,517,372	\$ 33,517,372
	-	-	-	-	5,660,306	5,660,306
	-	-	-	-	-	-
	-	-	-	-	1,950,623	1,950,623
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,332,552	9,817,080	130,000	-	-	13,279,632

TOTAL EXEMPT ITEMS

	\$ 3,332,552	\$ 9,817,080	\$ 130,000	\$ -	\$ 41,148,301	\$ 54,427,933
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TOTAL APPROPRIATIONS

	\$ 434,511,969	\$ 972,500,000	\$ 42,418,399	\$ 103,525,323	\$ 41,148,301	\$ 1,594,103,992
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1 City General Fund

The gross amount of money or "pot" that is divided into different departments and City needs.

2 Board of Education General Fund

The Board of Education "pot" of money. *The City does not determine the Board of Education pot of money, it is a percentage they receive from the City, New York State, and Federal Government.*

3 Capital Debt Service Fund

The City debt. Every City has debt, and this line shows that payment toward the City's debt.

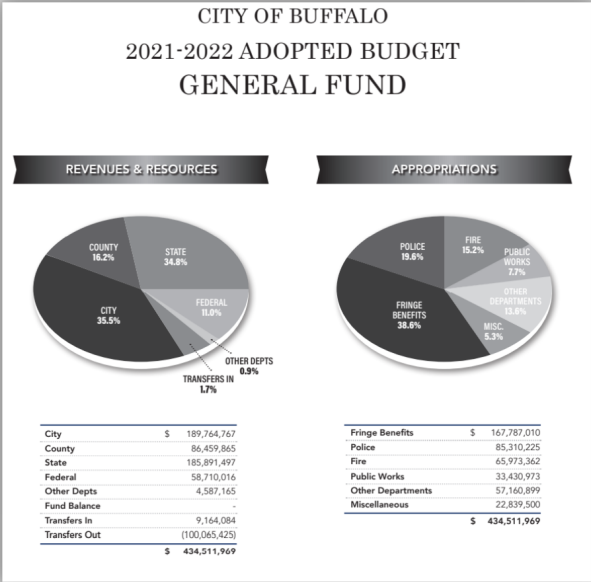
4 Interfund Transfers

When a department requests money from the Comptroller while they await grant money to cover those costs.

5 Total Appropriations

A sum of money or total of assets devoted to the budget.

The pie graph below shows the sources of revenue and appropriations for the City budget.



Within the City budget are the requested budgets of City Departments like Police, Fire, and Public Works.

Each department has their stated goals, day to day activities, and a breakdown of how they serve the residents of the City of Buffalo.

In this example, The Department of Public Works’ goal is to provide for the design, planning construction and contract administration for streets, highways bridges, and traffic signal systems in the City of Buffalo.

DEPARTMENT OF PUBLIC WORKS, PARKS, STREETS

Division of Engineering
Administrative Services
Division #31-1200

Mission Statement

To provide reliable, efficient, administrative related services supporting all divisions of the Department of Public Works, Parks, and Streets in its daily execution of providing essential services to the public.

Goals

1. To provide efficient administrative and clerical support for all Department operations.
2. Ensuring that payroll is managed each pay period to ensure accurate time keeping of hours worked by employees of the Department.
3. Ensuring free flow of communication and efficient use of resources throughout the office.

Activities

1. Coordinates preparation of O&M and for the Department.
2. Prepares reallocation of funds for the Department.
3. Maintains records for O&M accounts, Bond Funds, Block Grants and EDA accounts.
4. Prepares statements of accounts on a monthly basis for each function.
5. Orders and distributes office supplies to all functions.
6. Supervises the maintenance of contracts of office equipment.
7. Prepares and processes contract documents and through Department of Law, Audit and Accounting.
8. Maintains a contract ledger and prepares monthly and quarterly contract compliance reports.
9. Maintains and processes a file on all insurance and renewals for the Department.

DEPARTMENT BUDGETS



City of Buffalo Adopted Budget 2021-2022 General Fund

	2019-2020 Actual Amount	2020-2021 Adopted Budget	2020-2021 Revised Budget	2020-2021 Year To Date 6/1/2021	2021-2022 Adopted Budget
1210 DESIGN & PLANNING CITY STREETS TOTAL	280,108	354,792	354,792	309,690	366,284
13110001 DESIGN & PLANNING CITY STS PS	279,951	354,592	354,592	309,685	365,784
411001 ANNUAL SALARY	264,467	342,767	342,767	299,931	352,084
413001 OVERTIME	3,098	2,500	2,500	2,297	1,500
413003 ACTING TIME	360	-	-	-	-
413004 SHIFT DIFFERENTIAL	17	-	-	-	-
414001 LONGEVITY	2,750	3,675	3,675	3,675	4,700
414007 PERFECT ATTENDANCE INCENTIVE	3,244	2,150	2,150	572	4,000
414028 VACATION BUYOUT	1,026	-	-	1,072	-
415001 AUTOMOBILE ALLOWANCE	4,990	3,500	3,500	2,138	3,500
13110005 DESIGN & PLANNING CITY STS SP	107	150	150	-	500
461005 PHOTO & DRAFTING SUPPLIES	107	150	150	-	500
13110006 DESIGN & PLANNING CITY STS SV	50	50	50	5	-
455100 INTERNAL PRINT SHOP	50	50	50	5	-

This example outlines the expenses for design and planning division of the Department of Public Works. The budget lines include data on years prior to give context to the requested amount.

BUDGET MODIFICATIONS

The Adopted Budget establishes the starting point for the fiscal year, but the budget is managed and modified on an ongoing basis throughout the fiscal year in response to changing conditions and circumstances. Budget modifications occur year-round, with more emphasis placed on modifications associated with each quarterly Financial Plan.

What conditions can result in budget modifications?

- Unanticipated economic conditions.
- Actual revenues are higher or lower than expected.
- Departmental needs (such as reallocating resources between or within agencies) for administrative or programmatic purposes.

KEY TERMS

ADJUSTED BUDGET: The Adopted Budget as amended by the City Council and adjusted to show comparability as a result of shifts in programmatic or functional responsibilities.

AMENDED BUDGET: The Adopted Budget as formally adjusted by the City Council.

APPROPRIATION: An authorization made by the City Council which permits officials to incur encumbrances or obligations against and to make expenditures of City controlled governmental dollar resources. Appropriations are usually made for fixed dollar amounts and are typically granted for a one (1) fiscal year period.

ASSESSED VALUATION: The estimated dollar value placed upon real and personal property by the chief appraiser of the appraisal district as the basis for levying property taxes.

ASSETS: Property owned by the City which has book or appraised monetary value.

AUDIT: A formal, written report that examines the way resources in a given department are being utilized. It is a test of management's internal accounting controls.

BALANCE SHEET: A statement that presents the financial position of an entity or fund by disclosing the value of its assets, liabilities, and equities as of a specified date.

BOND (DEBT INSTRUMENT): A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

BUDGET (OPERATING): A plan of financial operation embodying an estimate of proposed revenues and expenditures for a given period (typically a fiscal year). The term "Approved Budget" is often used to denote the City Council officially Approved Budget under which the City and its departments operate.

CAFR: Comprehensive Annual Financial Report which is an audited and printed copy of the City's financial statement at the end of a given fiscal year.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL BUDGET: A plan of proposed capital expenditures for buildings, parks, utilities, etc., and their financing sources. The Capital Budget should be enacted as part of the City's Consolidated Budget which includes both the Operating Budget and the Capital Budget. The Capital Budget should be based on the first fiscal year of the five (5) (plus) year Capital Improvement Budget (CIB).

CAPITAL IMPROVEMENT BUDGET: A plan for capital expenditures to be incurred each year over a period of five (5) future years setting forth each capital project, identifying the expected beginning and ending date for each capital project, the amount to be expended in each year, and the method of financing those expenditures. Also, operating cost impacts are identified for each project for inclusion in appropriate operating budgets.

CAPITAL OUTLAYS: Expenditures for the acquisition of capital assets. Includes the cost of land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment.

CAPITAL PROJECTS: Projects that purchase or construct capital assets. Typically a capital project is a land purchase and/or building or facility construction.

CHARTER: The legal document in which the City of Buffalo grants the City's authority.

CIB: Capital Improvement Budget, which is the City's plan for capital expenditures.

DEBT SERVICE: Payment of fees, interest and repayment of principal to holders of the City's debt instruments.

DEFICIT: The excess of an entity's or fund's liabilities over its assets (See Fund Balance).
The excess of expenditures or expenses over revenues during a single accounting period.

KEY TERMS

ENCUMBRANCES: Obligations in form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set-up/recorded.

ENTERPRISE FUND: Public Utilities are examples of enterprise funds. Separate financial accounting used for government operations that are financed and operated in a manner similar to business enterprises, and for which preparation of an income statement is desirable.

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FISCAL YEAR: The twelve (12) month period beginning July 1st and ending the following June 30th.

FUND BALANCE: The excess of an entity's or fund's assets over its liabilities. A negative fund balance is sometimes called a deficit.

FY: The abbreviation for Fiscal Year which the twelve (12) period beginning on July 1st and ending on June 30th.

GENERAL FUND: The fund supported by taxes, fees, and other revenues that may be used for any lawful purpose.

HUD: Housing and Urban Development which is a federal agency that awards the grant funding to the City for housing and urban development projects.

LIABILITY: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. Note: The term does not include encumbrances.

OBJECTIVES: Statements about a department's annual level of activity. Objectives are measurable, time bound activities, which illustrate how a department intends to reach its goals.

OPERATING FUNDS: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

RESERVE: An account used to indicate that a portion of fund equity or balance is legally designated or restricted for a specific purpose, e.g., cash flow reserve.

REVENUE: The term designates an increase to the dollar value of a fund's assets which: - Does not increase a liability (e.g., proceeds from a loan); - Does not represent a repayment of an expenditure already made; - Does not represent a cancellation of certain liabilities; - Does not represent an increase in contributed capital.

REVENUE BONDS: When a government issues bonds, which do not pledge the full faith and credit of the jurisdiction, it issues limited liability revenue bonds. Typically, pledges are made to dedicate one (1) specific revenue source to repay these bonds. Revenue bonds are not included in the debt limit set by City Charter and under state law do not require voter approval.

SOURCE OF REVENUE: Revenues are classified according to their source or point of origin, e.g., real estate taxes.

TAX LEVY: The total amount to be raised by general property taxes for operations and debt service purposes specified in the Annual Tax Ordinance.

TAX RATE: The amount of tax levied for each \$100 of assessed valuations of property.

NYRS: Retirement System which is the state retirement system for public employees that provides its members with benefits at retirement or upon disability or death.

THANK YOU!

Thank you for taking the time to read the Citizens Guide to the City Budget. We hope it provides you with helpful insights into how to review a City budget.

If you have any questions, comments, or recommendations, please contact the Council Staff office.

Buffalo Common Council Staff Office

65 Niagara Square, Room 1413

Buffalo, NY 14202

Phone: (716) 851-5105

Email: councilstaff@buffalony.gov



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